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September 3, 2008

Attention: Ms. Mary D. Nichols, Chairperson California Air Resources Board 1001 I Street Sacramento, CA 95812-2815

Re. AB 32 Sustainable Forestry Scoping Plan

Dear Chairperson Nichols:

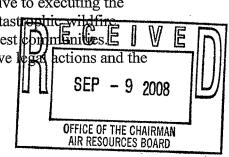
The Forest Landowners of California (FLC) appreciates the opportunity to participate in the California Air Resources Board (ARB) AB 32 Draft Scoping Plan for sustainable forests. FLC supports ARB's decision to enlist the California Board of Forestry (BOF) to assist in this effort. FLC is committed to assisting both ARB and BOF to meet the sustainable forests objectives of AB 32 while preserving the rights of forest landowners to practice forestry and own private property within the State of California.

Forestry is the only sector identified under AB 32 as a net carbon sink. California's non-industrial forest landowners own 3.2 million acres of the 7.4 million acres of private timberland.

The non-industrial forest landowner is in a unique position to assist in the AB 32 sustainable forests objectives. Success will be challenging due to the many threats our forests face, including: extended dry conditions, elevated fire danger, more frequent drought due to climate change, catastrophic fire, tree stress, insect infestations, tree diseases, continuous loss of forest infrastructure, restriction on the use of forest transportation networks, adjacent forest land conversion to non-forest uses, and residential encroachment into forest lands. The key to our success lies in the effective management of these threats through a supportive legislative and regulatory environment that allows forest landowners to manage their forests to be fire and disease resistant while providing economic incentives to encourage active management and utilization of forestlands.

The right to practice forestry includes tree planting, thinning, harvesting, controlled burning, pruning, and fire fuel load reduction necessary to optimize forest health and productivity. These practices result in healthy, disease resistant, drought resistant, fast growing, fire resistant forests that maximize carbon sequestration. Many of these activities generate revenue for additional forest improvements and a reasonable return on investment that perpetuates sustained forestry.

California's legislative, judicial, and regulatory structures are not conducive to executing the right to practice proper forestry. This is evidenced by the frequency of catastrophic wildfired declining forest health, marginal carbon sequestration, and devastated forest communities. Emilions of dollars of forest infrastructure have been lost through excessive legal actions and



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neglectful policies of both the State and Federal Governments. The forest product merchandising industry has withered away under this environment, resulting in non-competitive markets and in some cases no feasible market at all for forest landowners to sell their products. Furthermore, California's timber product markets are open to non-California producers with much fewer environmental regulations for the production, harvest, or merchandising of their forest products, resulting in an uneven business playing field that encourages the consumption of forest products produced in distant lands with less protection to the environment or regard for global warming.

The right to own private property means that sequestered carbon in trees of private forest lands is the private personal property of the forest landowner. Californians have long taken for granted the benefits of private forests without providing just compensation. Examples of these benefits include clean air, clean water, oxygen, wildlife habitat, scenic beauty, and carbon sequestration. For sustainable forestry work under AB 32 we must devise a way to fully compensate the forest landowner for providing these benefits. We have heard dialogue that considers these benefits to be public at many of the planning meetings. We see the resources from which these benefits arise as private, personal property, owned and controlled by the private forest landowner. We oppose any action or regulation that would change this concept.

The forest landowners of California need:

- free or low cost short term access to government forest advisors (eg: UC Extension Forester, CDF Service Forester, etc.),
- financially feasible and realistic forestry improvement assistance programs,
- · tax incentives and offsets,
- a competitive market to sell our forest products to merchandisers,
- development of new technologies such as cellulosic ethanol,
- · expansion of wood fired cogeneration plants,
- a level playing field for imported forest products,
- a supportive regulatory and judicial environment to practice forestry,
- a simplified and cost effective legislative and regulatory framework to practice forestry,
- an attractive and fair voluntary market to sell carbon credits,
- assurance that private property will remain private,
- access to public and private tree seed and seedling producers.
- · access to private forestry services providers,
- and full compensation for the social benefits of private forestry.

The FLC stands ready to assist both the ARB and BOF to achieve its sustainable forestry objectives and the needs of individual forest landowners of California.

Sincerely,

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President

Forest Landowners of California

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Cc: Mr. Stan Dixon, Chairman, and Members, California Board of Forestry and Fire Protection (BOF).

Mr. Tony Brunello, Deputy Secretary, Resources Agency.

Mr. Richard Bode, Air Resources Board (ARB).

Ms. Linda Murchison, ARB.

Ms. Jeanne Panek, ARB.

Mr. George Gentry, Executive Officer, BOF.

Mr. Crawford Tuttle, Chief Deputy Director, California Department of Forestry and Fire Protection (Cal Fire).

Mr. Bill Snyder, Deputy Director, Cal Fire